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Looking down the list of signatures we find that the petition is signed by only two out of the seven banks in the Colony under the name of the bank, the others being signed by Messrs. Chartered Mercantile Bank, the Hongkong and Shanghai Bank, the New Oriental Bank, the National Bank of China, the Compair National d'Escompte de Paris, and the Bank of China, Japan, and the Straits are absent from the list. Altogether, there are about thirty-five hundred and fifty odd, of whom some thirty-five are share brokers or share-peddlers' clerks; there are about the same number of Chinese, and about twenty Parsees and Indians, not including those absent. The petition purports to come from all sections of the community, and the fact that the promoters have been able to secure only a hundred and fifty-five signatures shows how ungenerously weak the opposition to the Eill Bill is. The names of the promoters, however, are found amongst the signatures, and a larger number of equal influence are absent. The opinion of the community may therefore be fairly gauged by the banks which have put up two out of seven supporting the proposition. The petition is signed by a very canvassed for, and the promoters of the petition have taken care to shield it from the nipping frosts of public criticism by withholding it from publication, but with all their tender care and solicitude they have not been able to secure the signatures of the more respectable portions. They have even gone so far as to hinder their search for signatures as to secure that of Mr. FALES, the United States Vice-Consul at Amoy. It is not long since a British Minister was re-called from Washington for interfering in the domestic politics of the United States, and we really cannot see what right the United States Vice-Consul at Amoy has to sign petitions relating to the legislation of this Colony. The result of a petition is to be determined more by the number of the signatures than the number of its signatories; if the arguments are forcible in themselves it is unnecessary to dwell much on the character or standing of those by whom they are signed. It is not possible to understand there is no weighty argument. The earlier portion of it is made up chiefly of misstatements on matters of fact, and when the petitioners come to argument so little can they find to say that they are not allowed because it will be some trouble to the seller of shares to look in his ledger or safe to ascertain their numbers or marks!

Recent events have, however, helped to advance it considerably. The riots and outrages in the Yangtze Valley and elsewhere have brought about a realization on the part of the Powers that the limit of their forbearance has been reached and that common action for the common good must be taken. The anti-missionary feeling which has been kindled in China is no doubt that exasperation at countless infringements of the treaties have been their influence at last. Meantime the producers in Europe have had sufficient of the effects of the tariff reductions and have felt the pinch of lower prices. They are discovering that the more effective opening of China to trade would furnish a better outlet for their goods. The disappointment at the non-expansion of the Chinese market for European manufactures is being giving rise to uneasiness and popular anger. In England and Germany mutterings of dissatisfaction have been heard. More particularly has this been the case in Lancashire, where the piecemeal opening of the Chinese market to foreign manufactures. In Germany, too, the *Reichstag* has been expressing its disapproval. *The Review*, referring recently to the troubles in China, said there was another reason beside the satisfaction of missionary claims for turning attention to that country. "It is a query," proceeds our Berlin correspondent, "whether the Chinese Government is not a little more anxious to have their commercial policy on the subject of Chinese trade. It may be that the broad expanse of water which practically divides us and also the peculiar constitution and customs of the people, the fact that the Chinese are not a nation, the fact that the fruit season was at hand and yet it is the development of Chinese trade which will cause that nation to capture the thoughts of Europe in the future. It had been repeatedly pointed out by German writers that the Chinese holds for the 'rise, in which it may grow and multiply.' After pointing out that the protective policy now being pursued by many European countries and by the United States is closing many markets, *Kuhlow* proceeds—'The Chinese market is the one which remains open is the East. China is certainly the provincial land of protection and is well known for her retiring nature as far as European or any other policies are concerned, so long as Chinese interests are not hurt. But she has a certain amount of trade between China and Europe in existence at the time of the ancient Romans and also during the Middle Ages. The English have been the pioneers of this trade since the seventeenth century, when they first opened up the Chinese market to them. Then follows a sketch of the course of foreign trade with China, and the gradual growth of German commercial relations with her, relations which *Kuhlow* considers might be largely augmented, for which purpose it says, 'It should be opened up to us and that it should be introduced, and this will only happen through an extension of Chinese commerce in which we have every right to participate. It is not a question of a few millions of francs enough, certainly, but it is something well to be frank. China has long been the center which the western commercial world has vainly sought to open. The shells of the obstinate bivalve have been forced a little open, but the bivalve has not been able to open has been continuous and all efforts to get to the prize within have hitherto been vain. The feat will be achieved one day, and it may be worth the consideration of the German Government whether the obstinate policy of the past is not better than the policy of breaking the Treaties in small matters and violating their spirit wherever possible is not calculated to hasten the crisis they fear.

The following, from the *Law Times*, raises a question of local interest:—"The new rules issued by the Rule Committee to the Judges with respect to actions by and against partners in firms, and the new order of costs, names other than their own, should prove a valuable aid in unmasking the real plaintiff or defendant, who too often finds it convenient to lurk behind an alias. Some day probably the long talked of grant of new names to the partners of firms will become established by law, but, until that time comes, the new rules may be welcomed as an attempt to grapple in a practical manner with an evil which, as legal practitioners have reason to know, has become very serious in its character. The object of the committee is to compel disclosure where it is expedient that it should be made and to debar the litigant from the privilege hitherto much appreciated of living in the shadows. It is to be hoped that this object will be successfully attained." The practice of Chinese amongst themselves of limiting the liability of their partners is well worthy of the attention of the Hongkong Chamber of Commerce. The Chamber has already passed a resolution that all firms were allowed to register their partners and the amount of each partner's liability was named; it would be a great safeguard in business to merchants, as it would give a full opportunity to persons who were not much given to the art of obtaining the financial position. In time the effect would be that every firm of any standing would comply with the Ordinance, otherwise they would not enjoy the standing and credit of registered firms. The effect of the Ordinance on Chinese firms would be to keep the business in their hands. The Chinese themselves are quite ready to adopt a system of registration, as is evidenced by the petition they presented on the subject of bankruptcy in 1889. Having signed the petition, they said, "If the Government lay the petition went on to say:—As an alternative to the above, the petitioners would suggest that a new Ordinance might be enacted requiring masters of shops and partners to register their own names and the total amount of their capital, so that the financial condition of their business might be always ascertained without difficulty, and in the case of a business becoming unsuccessful the creditors might make the master and his partners settle all debts in proportion to the number of shares each holds." Under the present system the object of all the partners of a firm gets into difficulties is to keep in the background and leave some man of straw to pass through the Bankruptcy Court. A system of registration would be a great help to the creditors against this kind of trickery. The Partnership Bill introduced in the House of Lords last year by the Lord Chancellor, but which did not pass into law, provided for the registration of partnerships and the registration of the names of the partners. It is in effect what the Chinese want, and such a system of registration would, we believe, be an excellent thing for the colony.

\* The following, from the *Law Times*, raises

question of local interest:—"The new rules issued by the Rule Committee to the Judges, with respect to actions by and against firms and persons carrying on business in and out of the colony, may be proved a valuable one in unmasking the real plaintiff or defendant, who too often finds it convenient to lurk behind an alias. Some day probably the long talked of system of registration of firms and partners will become established by law, but, until that time comes, the new rules may be welcomed as an attempt to grapple in a practical manner with an evil which, as legal practitioners have reason to know, has assumed very considerable proportions. "The object of the committee is to compel disclosure where it is expedient that it should be made, and to prevent the use of the privilege hitherto so much appreciated of fighting under false colours. It is to be hoped that this object will be successfully attained." The practice of Chinese amongst themselves of hiding the liability of their partners is well worthy of the notice of the Committee of the Hong Kong Commerce. If an Ordinance was passed and firms were allowed to register their partners and the amount of each partner's liability was named, it would be a great safeguard in business to merchants, as it would give a full opportunity to persons dealing with such firms to ascertain and ascertain the financial position. In time the effect would be that every firm of any standing would comply with the Ordinance, otherwise they would not enjoy the standing and credit of registered firms. The effect of this on respectable Chinese firms would be to make them more respectable in the eyes of the British and the Chinese themselves are quite ready to adopt a system of registration, as is evidenced by the petition they presented on the subject of bankruptcy in 1889. Having suggested sundry amendments in the Bankruptcy law the petition went on to say:—"As the law now stands, the creditor is obliged to suggest that a new Ordinance might be enacted requiring masters of shops and partners to register their own names and the real amount of their capital, so that "the financial condition of their business might be always ascertained without difficulty, and in the event of their becoming unsuccessful the creditors might make the master and his partners settle the debts in proportion to the number of shares each holds." Under the present system the object of all the partners of a firm is to get into difficulties as to keep in the background and leave the master to be taken through the Bankruptcy Court. A system of registration would afford security to the creditors against this kind of trickery. The Partnership Bill introduced in the House of Lords last year by the Lord Chancellor-but which did not pass into law, provided for the registration of the names and the respective liabilities of the partners. This is in effect what the Chinese want, and such a system of registration would, we believe, be an excellent thing for the colony.

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need to call anyone else who might have such scruples." It is not surprising

the circumstances that the defendant, in this case, Mr. PREE, lost his temper, uttered a big D, and "went for" that boy. Nor is it to be regretted that the Magistrate thought the provocation received by Mr. PREE was sufficient justification for the offense, and he indicted the defendant on a fine; but the practice of committing even technical assaults on servants is not usually to be generally commended. It is infinitely satisfactory, however, that an example should have been made of such an intemperate young vagabond as LEWIS CHAN HO, who has been sentenced to the House of Correction for a month, and who is now to be his "pudgin" to pay five dollars into court, and perhaps in the future he will be a little less particular as to what his "pudgin" is.

The intermingled silver question was

to the last meeting of the Bank of Bombay by the Hon. Mr. L. E. W. FORBES, the Chairman, who said that in some five months hence the silver party will no doubt again endeavor to legislate further in the interests of the gold party, and that the Government, in exchange, which indeed has already begun, perhaps a little prematurely, will force exchange up before the end of the year. Referring to the efforts of Sir DAVID BARBOUR, Finance Minister, to start a discussion on the merits of gold, he said that he was not in a position to say—We on this side are generally of opinion that America has got her head so far into the silver snare that she will never be able to withdraw it, and we have therefore declined to discuss the question of a gold currency, and to go beyond the question of a currency of convertible money. In his subsequent remarks he favoured the view that a low exchange had promoted the export trade of India, but said that whether exchange rose or fell he was still hopeful that we would hold her own. "What we all fear," he said, "is that we shall witness violent fluctuations of exchange to such an extent as to make our business operations to become nothing more than a mere gamble; we shall be thankful if the Government of India will join in any movement that will help to fix by law the exchange rate of the rupee into two mowla." The speech led to some newspaper correspondence, a Mr. A. F. BEACOT, an ally of that Mr. FORBES stood alone in his opinion and quoting the following resolution passed by the Bombay Chamber of Commerce by a large majority:—"That they deplore the Government's policy of exchange, and any interference with the currency. While admitting the inconveniences of constant fluctuations in exchange, they are of opinion after considering the question from all sides that the fact in exchange is not a matter of course, but that the Government and people of India are in favour of allowing things to run on their natural course." In reply to this statement another correspondent suggests that since 1838 there has been a great change in the opinion held by the majority of the Chamber, and that the Government have made a complete manifest by the silver flight of our reserves, and hence that the one essential now required

**THE SHARE SALES REGULATION BILL.**

The following petition against the Share Sales Regulation Bill was sent home by last week's mail—

To the Right Honourable Lord Knutsford, Secretary of State for the Colonies.

The Memorial and Petition of the Undersigned Bankers, Merchants, Brokers, Traders, and others carrying on business in the Colony of Hongkong.

May it please your Lordship,

We your humble petitioners, residents of and

a. address you, through the authorized channels, on

all occasions when, in our opinion, that growth of the business of the colony is impaired or diminished, whether by the action of the Government or by any other means.

We address you now explaining of the action of the Government of the Cape Colony in the Legislative Council. "An Ordinance to amend the law in respect of the sale of shares in companies incorporated in the Cape Colony, passed in 1885 to 1886 and in other joint stock companies," which Ordinances, it allowed and confirmed by Her Most Gracious Majesty the Queen and put into operation by the Governor of the Colony. It is valuable but noise carried on in this colony and will seriously injure many of your petitioners.

It is a law which was passed in 1885 by an unofficial member of Council, the Honourable James Johnston Kewell, applies to all companies incorporated in the Cape Colony, and of "Liability Act" in regard to Bank shares. It forbids the sale of shares not in the possession or under the control of the vendor at the date of the sale, and it is a law which is a great action in the contract of sale of the numbers or marks of the shares to be affected by it. It is a law which is a great action in the contract of sale of the numbers or marks of the shares to be affected by it. It is a law which is a great action in the contract of sale of the numbers or marks of the shares to be affected by it.

On its first introduction it was reserved for your Lordship's consideration, and your reply to the said petitioners was that the Bill proceeded with, if the accidental members of

The principal members of Council were not agreed upon the subject. One of them, the Honorable Mr. Carter, has been absent during the entire period of the debates. The member who has been most active in opposing the Bill, consistently opposed the Bill and divided against it in almost all its stages. The Honorable member, (Dr. Ho Ka) representing the Chinese community, after having been against the Bill, moved for its passage in the face of the facts by which it was said to be justified and on which it was based, and the second, the Honorable Mr. Perry, was strongly of opinion that the Bill was a bad one, but that it could be usefully passed into law.

Your memorialists would further represent that, at a meeting of the Chamber of Commerce, presided over by the Honorable Mr. Carter, the whole of the committee of the Chamber (consisting of the leading merchants in the colony) with the exception of the mover and second of the Bill, expressed their opinion that the Bill was a bad one, and they were strongly against the Bill as interfering with the freedom of trade and on the ground that it afforded no adequate remedy for the evil against

Your memorialists, therefore, in the first place submit that your Lordship's instructions to the Admiralty, and the Committee of the Privy Council, have been duly considered, and that through Council have been disregarded, and they beg of you, before advising Her Majesty on the Bill, to take into consideration the grave difficulties which will be thrown in the way of the proposed Bill, and the consequences which will ensue, and the policy on the subject, and to examine the question afresh and on its merits.

The better to enable your Lordship to deal with the subject, your memorialists have under the provisions of the Companies Ordinance 1868-1870 there have sprung up in Hongkong in one or two with as a necessary part of the business of the Government, and the various companies (fire and marine), manufacturing, mining, building, trading, and investment companies whose operations extend over all parts of the Empire, and the various islands of the East, which was estimated by Sir George W. Des Voeux in September, 1882, at sixty-three millions

It is of the very essence of the limited liability principle on which all these companies are founded that there should be a free and open market for their shares, and, in Hongkong, a very large and active market has been created, in which the local companies and all others connected with the East. A very large capital, estimated at many millions of dollars is employed in the trade. Speculation in shares is carried on by the same ramifications London and New York, Calcutta and San Francisco. Bombay, Singapore and Shanghai, and a very large number of persons are engaged in the trade as investors, dealers, and brokers.

It may be in the eyes of some a great misfortune that speculation in shares and in share property, distinguished from investment, has sprung up in Hongkong, but it is now almost universally recognised as a legitimate branch of business, inseparably connected with and essential to the full development of the commerce of the colony, and to the continued existence and success of the great companies and corporations founded on that principle, by means of which such vast amounts of capital have been raised, and by which the commerce enterprising commenced and carried out.

In England and in America, like this trade is as absolutely free and unfettered as of the trade in any of the recognised articles of commerce, in fact, it is more so, for the shares of companies are bought and sold shares for cash or on time, and to enter into contracts for the sale of shares that they are to be held and must go into the market to acquire.

Speculation in shares, as in cotton, and sugar, and pig iron, has occasionally been pushed in England and America and in every civilised country, but it has never been so general as in Hongkong. Losses have been suffered and great ruin is brought about; but, with the exception to be

change your memorials in this connection would, lastly, call your Lordship's attention to the fact that in recent years both in France and in Germany attempts were made to limit the freedom of the market and stocks and to stop short-selling, but that such attempts were everywhere met with abundant and unsuccessfull opposition. In England the Stock Jobbing Act of George the Third, and the subsequent Act of George the Fourth, were as regards public stocks to produce the same purport and effect as Mr. Kassic's Ordinances, but it was deliberately repeated in England that such attempts to restrict the free and undine interference with the freedom of trade, and an inconvenient restriction on the sale of stock.

It is urged by the supporters of this Ordinance and will, doubtless, be pressed upon your Lordship that such great evils have arisen in Hongkong from this unlimited freedom of contracting, that it is necessary to restrict it, and it has become a public evil, that a remedy is earnestly needed, and that the limitations imposed

Your petitioners most emphatically deny that there is any public evil needing a remedy, or that it is necessary to suspend attention (and they do not deny that such and such a remedy is an evil like any other form of gambling), that it has ever arisen or can rise to the magnitude of a public evil, or that it is necessary to suspend legislative interference; and they farther most unhesitatingly deny that short-selling has been the cause of the existing evil, as is ordinarily supposed. The only evils which have been done in largely have been here for many years before a value which would give it any importance, and which would be a great percent, which is the recognised rate of interest, the colony; and that its prevention will afford any remedy to the particular evil complained of. The petitioners further state that the supporters of Mr. Keswick's Bill have not brought it forward on account of any distinctly public grounds. There is no complaint, as when the bill was introduced, that the public credit institutions had been shaken; that public credit had been affected; that the prosperity of the colony had been injured, or that it was about to be threatened. The evil complained of is that many individual speculators shrewd had suffered very severely; in other words that many very rich persons had lost their money in shares; that their expectations had been disappointed; that their great injury and loss, and that this loss resulted from the action of one or two persons upon the market.

Your memorialists beg leave to refer your

On this point to the memorandum annexed to Keesick's draft Bill when forwarded to the Legislative Council on the 22nd of September, 1870. This memorandum was drawn up by the then Acting Attorney-General, Mr. Alcock, a gentleman who speaks with authority on all matters connected with the law. In favour of the legislation proposed as strongly and clearly as it has been stated anywhere. The whole case of the supporters of the Bill is summed up in the following words:— "That there is support of the Bill; very many anonymous letters have appeared in the public papers on the same side, but no other case has been made for the Bill."— "That there has been excessive gambling in shares in Hongkong in 1869, in 1880, and in the early part of this year; that many have been ruined by the loss of their professional gambles but few young men have been ruined; that the law promises to have shares for future dates; that this gambling has led in some cases to crime and to the ruin of many individual misery."

Your Committee, Sir, will point again to the fact that there is no allegation of any direct public evil as in the days of the Stock Exchange.

Dominate's Act, and they crave your Lordship's very earnest attention to the fact that, alike in Mr Akroyd's memorandum, in the speeches and in the Bill, the same error is repeated. In the letters and addresses in opposition to it, it appears that the Bill in deliberately aimed, not at short-selling, as a common practice asserted to be, but at the use of the Bill as a means of short-selling as practised by one or two individual operators who, as Mr Akroyd plainly says, by their chicanery rule the market, depress it and then raise it, as alleged, for the operators for a rise.

Your memorialists; while admitting that there have been a few cases of very gross gambling in shares, very little of the individual misery and suffering, and while acknowledging that it would be desirable, if it were possible, to suppress the practice, are nevertheless of opinion that periodically rides rampant over all modern forms of investment, most respect-

Kewie's Bill has been introduced and passed, has not in any marked degree brought about the existing state of affairs in the colony. It is a pity that the Government have overlooked the gambling spirit, diminish speculation in the future, or render it less injurious in a crisis. They further submit that while the Government are endeavoring to prevent gambling or to diminish the same, the Government prohibitions contained in Mr. Kewie's Ordinance will seriously interfere with all legitimate business in shares and stocks, and will so hamper the operations of the Government as to lower the prices of shares generally, and in a degree diminish the actual value of the very large and valuable estate property that forms so important an element in the general prosperity of the colony.

In the first place, the colony has recently passed or is still passing through a very severe commercial crisis, arising mainly from general causes, such as France and Germany, England and America, and only in part from local events. The severe fluctuations in exchange have caused heavy losses. Extensive speculation in shares and stocks has been carried on, and the result has been a heavy loss to the houses to the ground. Among the causes locally arising and locally operating there has been the absolute failure of many plantings, union, and consequent loss of the monies invested. This has crippled many. Other companies floated at the same period have not yet provided an answer to the question of their solvency. The money is hopelessly locked up there. As stated by Sir George W. Des Voeux in his dispatch to your Lordship of the 31st October, 1889, "the colony has lost nearly £1,000,000 of its capital of over £5 millions of dollars were formed in Hongkong in 1858-1860.

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sell them by their numbers and enter into a contract at a specified time, at the most monthly settlement at a fixed advanced price. *B*, to whom he sells has those shares which he has bought from *A* and he sells them to *C* to retail to *D*, and so on through the chain of speculators. Thus a few lot of shares should be bought with in such a fashion is not unusual. If the price of the shares rises, the speculators are enabled to deliver these identical shares when the state comes, see the confusion. None of the speculators are able to deliver as per contract, even if they have bought the shares at a very low price, and buy up 50 other shares. Each purchaser is able to sue for damages if the shares enumerated in the contract are not delivered. If the state of the market delivery of any others, if the state of the market makes him anxious to get rid of his margin.

body market, a market in which of all others speedy action is needed. This will diminish the loss of time and money which is wasted in the sale of all shares to the injury of all local companies out of business generally.

In conclusion, your memorialists most respectfully submit—

- (1.) That this Bill of Mr. Keirwisk's has been pressed through Council in opposition to your Lordship's instructions, that it is opposed in a greater or less extent by three of the four members of Council, and that the fourth is absent and has been absconding during the debates; that it is opposed by the Chamber of Commerce and by the general feeling of the commercial community.
- (2.) That the Bill is contrary to the spirit of the Ordinances, and that persons at stake are involved in the Ordinances, but that only the relief and protection of private individuals, who have only themselves to blame for their position, is intended.
- (3.) That it is aimed, confessedly aimed, at one or two individuals and that it is not even alleged that short-selling is general or prejudicial.
- (4.) That the evil complained of—rush speculations in shares and the consequent losses—are not the rash speculations and losses of short-sellers, but the rash speculations and losses of persons who purchase for a rise, and that the prohibition of short sales will neither prevent persons animated by the gambling spirit from speculating in shares, nor will it prevent persons who think long premising, nor will it prevent the consequent reaction, heavy fall, and serious loss that must always follow on such operations, whether the rise or the not-short-selling is agreed or the position.
- (5.) That short-selling, if it has had any part in recent losses, has had but a small part and that the losses have been due to other causes.

seriously hamper all legitimate dealings in

share and change the legal character of the contracts for the sale of shares on time, and to the detriment of the public interest of the colony, and will impede the local business, to the injury of investors, dealers, and brokers alike, to the diminution of the revenue of the colony, and to the detriment of the trade and prosperity of the colony.

(7.)—That it is a serious and one-sided interference with the rights of the colony, to force upon it a measure which is not only unauthorized by the colonial legislature, but unauthorized by any precedent in the legislation of Great Britain or of her colonies, and comparable only to the action of the United States against America, France, and Germany.

Your petitioners therefore humbly pray your pardon.

(1.)—That we take this respectful memorial and petition into your earnest consideration.

(2.)—To advise Her Most Gracious Majesty the Queen to dissolve the Ordinance in relation to the Honorable House of Commons, and passed by the Legislative Council of

Companies Ordinances 1965 to 1886 and in other Joint Stock Companies"

(3.) If your Lordship should deem any legislation on the subject of shares and share dealing desirable, to direct a commission of inquiry to take evidence and report on the subject.



